



RENISON CONSOLIDATED MINES NL

ACN 003 049 714

Mail Address
PO Box 471
Humpty Doo NT 0836

Tom's Gully Mine Site
Old Mount Bunday Station
Arnhem Hwy Corroboree

Phone: 08 89 788828
Fax: 08 89 788890
Email: SRO_TGM@bigpond.com

REPORT ON BANDICOOT, WILLIAM and WALLY'S GULLY PROSPECTS.

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COMPLETED BY: **Tony Slade - Exploration.**
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• INTRODUCTION

- The Bandicoot and Williams gold prospects were visited on December 5th 2005 and Wally's Gully prospect on December 7th. The purpose of the inspections was to assess the resource potential and the possibility of including the gold prospects in Renisons regional exploration project. The Bandicoot and Williams prospects are located 8.5km and 10km southwest of the Rustlers Roost gold mine; Wally's Gully gold prospect is approximately 8km to the northwest. Extensive excavations of the auriferous reefs has been undertaken at both Bandicoot and William since their discovery in 1989 and 1987, while Wally's Gully gold prospect is a more recent discovery made with metal detectors.

• BANDICOOT GOLD PROSPECT

• DISCOVERY

- The Bandicoot gold prospect was discovered in 1989 by Carpentaria Gold during a BCL sampling programme. The prospect consists of three major quartz reef systems known as Reefs A, B and C, and three minor reef systems known as Reefs D, E and F. The reefs have a northwest – southeast trend and crop out discontinuously over a strike length of 1.5 kilometres. The maximum strike length of individual reefs is only 160 metres. The surrounding country rock is siltstones and greywackes of the Burrell Creek Formation.
- Carpentaria Gold completed a programme of rock chip sampling, costeaning and RC percussion drilling; 27 costeans were excavated and 84 RC percussion holes were drilled for a total of 1,939 metres. Five of the six reefs have been tested by drilling.
- The quartz veins are often bedding conformable. The Reefs consist of milky quartz with abundant vugs containing dogtooth quartz and goethite after coarse pyrite and possibly arsenopyrite. Gold occurs as visible particles from 0.75 to 1mm in size.
- Reef A is the largest reef; it is 160 metres long and ranges from 0.2 to 1.2 metres in width. Drilling has indicated it continues to at least 30 metres below surface. The reef has an easterly dip at 40 to 60 degrees.
- Reef B is the second largest reef at the prospect. It is 130 metres long at surface and varies between 0.4 and 0.5 metres wide, and has a sub-vertical dip.
- Reef C is 90 metres long at surface and is generally less than 0.4 metres wide. It dips at 30 degrees to the east.
- Reefs D and E can be traced on the surface for 200 metres and average 0.3 metres in width.
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- **TRIAL MINING**

- Carpentaria Gold excavated bulk samples of Reefs A,B,C and D. The samples were processed at the Toms Gully Mine. A total of 2,547 tonnes were treated at an average grade of 2.28g/t Au. Carpentaria also calculated a measured resource of 14,354 tonnes at 3.58g/t Au (1,652 contained ounces). However, Carpentaria mined both quartz reef and host rock over a width of 1.10 metres, seriously diluting the bulk samples, and significantly underestimating the contained gold resource.
- NT Gold and DJ Langley purchased the property from Carpentaria Gold and mined six bulk samples from Bandicoot Reefs A and B to a maximum depth of 5 metres. The NT Gold syndicate stripped the hanging wall sediments and selectively mined the quartz reefs only. Four bulk samples of Reef A were mined and assayed: 30 tonnes @ 60g/t Au; 30 tonnes @ 25g/t Au; 20 tonnes @ 20 g/t Au and 5 tonnes @ 15g/t Au. Average grade was 35.6g/t Au. Two bulk samples were also excavated from Reef B with similar results to Reef A.

- **FURTHER EXPLORATION**

- Valdora Minerals NL undertook soil sampling and rockchip sampling, but no further follow up work.
- William Australia NL in joint venture with tenement holders NT Gold Pty Ltd and DJ Langley carried out orientation and grid based soil sampling and RC percussion drilling (8 holes for 570 metres).

- **CURRENT OPERATIONS**

- Bandicoot is currently owned by Jim Mazlin and Ray Breen, however there has been no work over the past two years. A small on-site crushing and milling plant and gold recovery room has been constructed and utilized. There has been further mining of Reefs A and B, with a rich higher grade zone exposed where the reef has been faulted and folded and plunges steeply to the east. Faulted or folded repetitions of the reef have also been discovered during excavation.

- **WILLIAMS GOLD PROSPECT**

- **DISCOVERY**

- The William gold prospect was discovered in 1987 by Joe Fisher during a helicopter supported reconnaissance rock chip sampling programme for Euralba Mining Ltd. It is located approximately 1.5 km west of the Bandicoot prospect. Gold mineralization is sporadically developed in two narrow parallel quartz veins hosted by siltstone and greywacke of the Burrell Creek Formation. The reefs can be traced for 130 metres and range in thickness from 0.3 to 1.0 metres and dip 60 to 75 degrees to the west. The auriferous quartz veins are ferruginous, laminated and vuggy, with goethite after pyrite and possibly arsenopyrite.
- A joint venture with Burmine was formed in 1987. Burmine completed a programme of 19 RC percussion holes totaling 722 metres; 15 holes were drilled into the Central zone with the best intersections being: 3.0 metres @ 3.60g/t Au from 22 metres (including 1 metre @ 10.2g/t Au), and 2.0 metres @ 8.96g/t Au from 30 metres (including 1 metre @ 17.30g/t Au). Generally, intersections were only over a 1 metre interval.
- A further joint venture agreement between Euralba Mining, Burmine and Carpentaria Gold was signed in September 1988. Carpentaria Gold undertook costeaning, rock chip

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sampling and resource estimation; they identified two reefs with a total indicated resource of 15,619 tonnes @ 3.57g/t Au for 1,793 contained ounces.

- Valdora Minerals NL undertook soil sampling and rock chip sampling, but no further follow up work.

- **TRIAL MINING and CURRENT OPERATIONS**

- The William prospect is currently owned by Jim Mazlin and Ray Breen. There has been selective mining of the auriferous reefs at two locations down to a depth of approximately 5 metres. In the southern excavation the reef is contorted and folded, and thickens with depth. The excavated reef was trucked to Bandicoot for crushing and milling and gold recovery. However, there has been no further production over the past two years.

WALLY'S GULLY PROSPECT

- **DISCOVERY**

- Wally's Gully gold prospect is located approximately 1km north of the Robertson Prospect on the southern boundary of EL10382. Two forty-hectare mineral claims cover the area where gold nuggets have been discovered through metal detectors in several gullies. The claims are 50% owned by Wally Falco, 25% by Jim Mazlin and 25% by Neville Manhire. Prospecting has defined four creeks carrying coarse nuggety gold. The gullies drain the sides of a prominent north-south ridgeline, along a south-plunging anticline in Mt Bonney Formation rocks.
- Wally's Gully 1 produced three small nuggets, but most of the gravel in the creek was too deep to detect to bedrock. Panning of gravel from the creek showed substantial gold.
- Wally's Gully 2 is the richest creek. It has produced 14 ounces of nuggets from the creek, 7 ounces leading up to a small quartz reef and 10 ounces of nuggets and very fine gold, from about 50 kilograms of quartz. The nuggets varied in weight from 2 to 40 grams. Two gravel samples from the creek showed visible gold when panned.
- Wally's Gully 3 produced one nugget of 5 grams.
- Wally's Gully 4 showed one small nugget from a panned sample. Another panned sample, taken about one kilometer downstream, showed 7 medium specks of gold.

- **LOCAL GEOLOGY**

- The exposed rocks along the anticlinal ridge consist of laminated shale and siltstone, banded iron formation with chert layers and bands, and greywacke.
- Numerous quartz reefs outcrop over the surrounding hillsides; many appear to be bedding conformable, possibly occurring as saddle reefs within the anticlinal rocks.
- A medium to coarse grained granite is exposed on a broad alluvial flat in a gully on the east side of the ridge. The outcrop occurs as a small group of rounded boulders up to 0.5 metres high. The granite is similar to the Mt. Bundey Granite in composition (K-feldspar, quartz, biotite).
- The granite could be the roof of a pluton which has been recently exposed; most likely it is the heat source for the hydrothermal fluids/quartz veining and gold mineralisation in the anticline.

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- **CONCLUSIONS and RECOMENDATIONS**

- Both the Bandicoot and William gold prospects are located within Renisons regional tenement project area. Although small in scale, the two prospects offer the potential for further depth extensions to be discovered. The current owners appear interested in negotiating an arrangement with Renison to carry out further exploration and mining activities. A well maintained track connects with the Quest road and will provide the necessary transport route for ore to be trucked to Toms Gully for processing.
- Further work at Bandicoot and William could comprise an RC drilling programme to test the depth extensions of the auriferous reefs below 30 metres. The average gold grade of 35.6g/t Au at Bandicoot reefs A and B would be profitable for a small mining operation to be carried out, with the ore being processed at Toms Gully.
- The extensive gold discovered in the creeks at the Wally's Gully prospect is very encouraging; the gold is shedding from the numerous quartz reefs outcropping over the surrounding hillsides. The granite body to the east of the ridge is the likely heat source for the extensive quartz veining and gold, and it raises the possibility that significant mineable Au mineralisation may be present within the anticlinal ridge structure.
- Mr. Wally Falco is very interested in further discussions with Renison. A joint venture arrangement would allow Renison to conduct an intensive exploration programme over the leases and the surrounding area of EL10382.
- Any further work would entail extensive creek gravel sampling, slope soil sampling and rockchipping to locate the primary auriferous veins. Costeaning and follow-up RC drilling should also be carried out.

Tony Slade
Exploration Geologist